

# Philippines: Employee association presses for quick electricity privatisation

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15 November 2008

Several articles published last month in the Philippine media confirm that the privatisation of the country's electricity grid is proceeding with the complicity of the employee association MINTREA. The drawn-out process, which is now being finalised in the Senate, threatens the jobs and conditions of more than 3,600 workers currently employed by the government-owned National Transmission Corporation (TRANSCO).

From the outset, the MINTREA leadership has not opposed privatisation, but rather has sought to carve out a niche for itself in the new arrangements. As the association's president Fernando Masapol explained to the media: "The privatisation of TRANSCO is a policy direction of the government and we respect that."

The privatisation is certainly government policy. The restructuring of the power industry has been the policy of successive presidents from Corazon Aquino, Fidel Ramos, Joseph Estrada and now Gloria Macapagal Arroyo. It has been a disaster for working people that has led to job losses, pay cuts, deteriorating conditions and higher electricity bills while providing profits and cheaper energy for business.

Rather than "respecting" the government's policy, it should be condemned. But MINTREA has never challenged the Arroyo administration and has fostered the illusion that jobs could be protected, at least temporarily, by amending the legislation to approve the franchise to the private company—the National Grid Corporation of the Philippines (NGCP).

The recent news articles are neither a misquotation nor the personal opinions of just one officer, as MINTREA has subsequently sought to portray. The comments reported in the business newspaper, *Business World*, and on the *GMA News.TV* web site are directed not to the public or TRANSCO employees but to

TRANSCO management, NGCP stakeholders, the Arroyo administration and the financial interests they defend.

In stating that TRANSCO employees "accept privatisation" and are even "seeking the immediate passage of the firm's franchise in the Senate", MINTREA is actually speaking for itself. The association, which is seeking to become the recognised employee body for the privatised grid, is trying to prove its worth to NGCP, which is anxious for the franchise to be approved.

MINTREA has dropped its previous demand for a job security clause for all current TRANSCO employees. Now, according to the media reports, the association is "pushing hard for the inclusion of an amendment" that allows the concessionaire to impose standards and qualifications and absorb employees only if positions in its organisation are available. In other words, MINTREA accepts that NGCP will have a free hand to axe jobs and slash the existing pay and conditions of employees.

The only qualification is that "current employees of TRANSCO shall be prioritised by the franchiser over new job applicants once hiring takes place." Management can sidestep this clause simply by changing the "standards and qualifications" to ensure no one in the current workforce meets the bill. Far from providing any guarantee for jobs, NGCP, with MINTREA's support, will be able to pick and choose among the current workforce, pitting worker against worker. Anyone regarded as a troublemaker will be isolated and dismissed.

According to the media articles, the MINTREA leadership is "not worried about [workers] not being absorbed as employees of the National Grid Corp. The concessionaire needs technical people." Not only is this

a false estimation of the situation facing technical staff, but the comments effectively signal that the association will accept the retrenchment among non-technical staff.

In the wake of the news articles, a wave of indignation has swept TRANSCO employees. Calls for a retraction, the resignation and a public apology from the MINTREA vice president have been made. While certainly reflecting anxiety and anger among workers, these calls do not advance the struggle to defend the jobs and conditions of TRANSCO employees.

MINTREA has proven worthless for defending the interests of workers. If jobs and conditions are to be preserved, TRANSCO employees will have to take matter into their own hands—as a first step, through the formation of rank-and-file committees.

To defend all existing jobs and conditions, it is necessary to oppose the Arroyo administration and its program of privatisation on the basis of socialist principles. The basic rights of TRANSCO employees, as well as the provision of affordable, reliable electricity to working people throughout the country, must come ahead of the profits of private corporations.

The privatisation takes place in the context of a rapidly spreading global recession, which will have a devastating impact in the Philippines. Already food and fuel prices have surged, placing huge burdens on those who can least afford it. The Arroyo administration has cut estimates for this year's GDP growth to between 4 and 5 percent. Her advisers are predicting that 200,000 jobs are at risk in the export sector alone.

There is no doubt that the present credit crunch is a significant factor in the campaign by NGCP to push through the privatisation of TRANSCO as quickly as possible. Many of the privatisations in the Philippines and other countries have been dependent on the availability of cheap credit, which has now dried up. And if NGCP finds itself in financial straits, it will inevitably pass on the costs in the form of job and wage cuts and increases in electricity prices.

The latest news is that the franchise bill has passed its second reading this week in the Senate. The third and final reading is regarded as a formality and NGCP is continuing its campaign for the rapid passage of the bill.



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